



**Public Hearing Written Testimony of
Gary K. Pechie, Director
Wage and Workplace Standards Division
Department of Labor
Labor and Public Employees Committee
February 18, 2010**

Good afternoon Senator Prague, Representative Ryan and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with written testimony regarding the payroll debit card bill on your public hearing agenda today. My name is Gary Pechie and I am the Director of the Wage and Workplace Standards Division of the Department of Labor.

I respectfully request that you vote favorably upon **S.B. #94: AAC the Use of Payroll Cards for Wage Payments to Employees**

This bill codifies the use of payroll debit cards as an alternative means of paying wages to employees in addition to cash, negotiable check or by direct deposit pursuant to Conn. Gen. Stat. § 31-71b(a). Presently, there is no statutory language authorizing the use of debit cards, and there is confusion as to whether employers currently may use this as a valid method of paying wages to employees.

This proposed bill will permit employers to use debit cards as an alternate method to pay wages to employees. This proposed bill codifies the use of payroll debit card accounts by employers so as to reduce payroll costs, and to permit employees without bank accounts to access wages in an alternative manner to cash, negotiable check or direct deposit. For at least the past year, employers and payroll card companies have inquired of the agency whether it is permissible to pay wages via debit card accounts. Because the current statutory language only permits the payment of wages by cash, check or direct deposit, the Connecticut Labor Department has responded to such inquiries with informal guidelines of a general nature. This has resulted in inconsistent and unpredictable wage payment practices that have generated complaints from employees regarding excessive fee charges and unclear policies.

The Connecticut Labor Department seeks the enactment of precise, uniform and equitable standards for the payment of wages via debit cards in order that it may fairly regulate the manner in which wages are paid to employees.

Thank you for this opportunity. Please feel free to contact me if you need additional information.